- Hawaii cable in the wake of destruction
- Cable outlook examined at Paine Webber seminar
- "TV Guide" versus "TV-Cable Week"
- Britain tunes in to cable

CableVision™

The news and features weekly of the cable television industry December 20, 1982 $3.00

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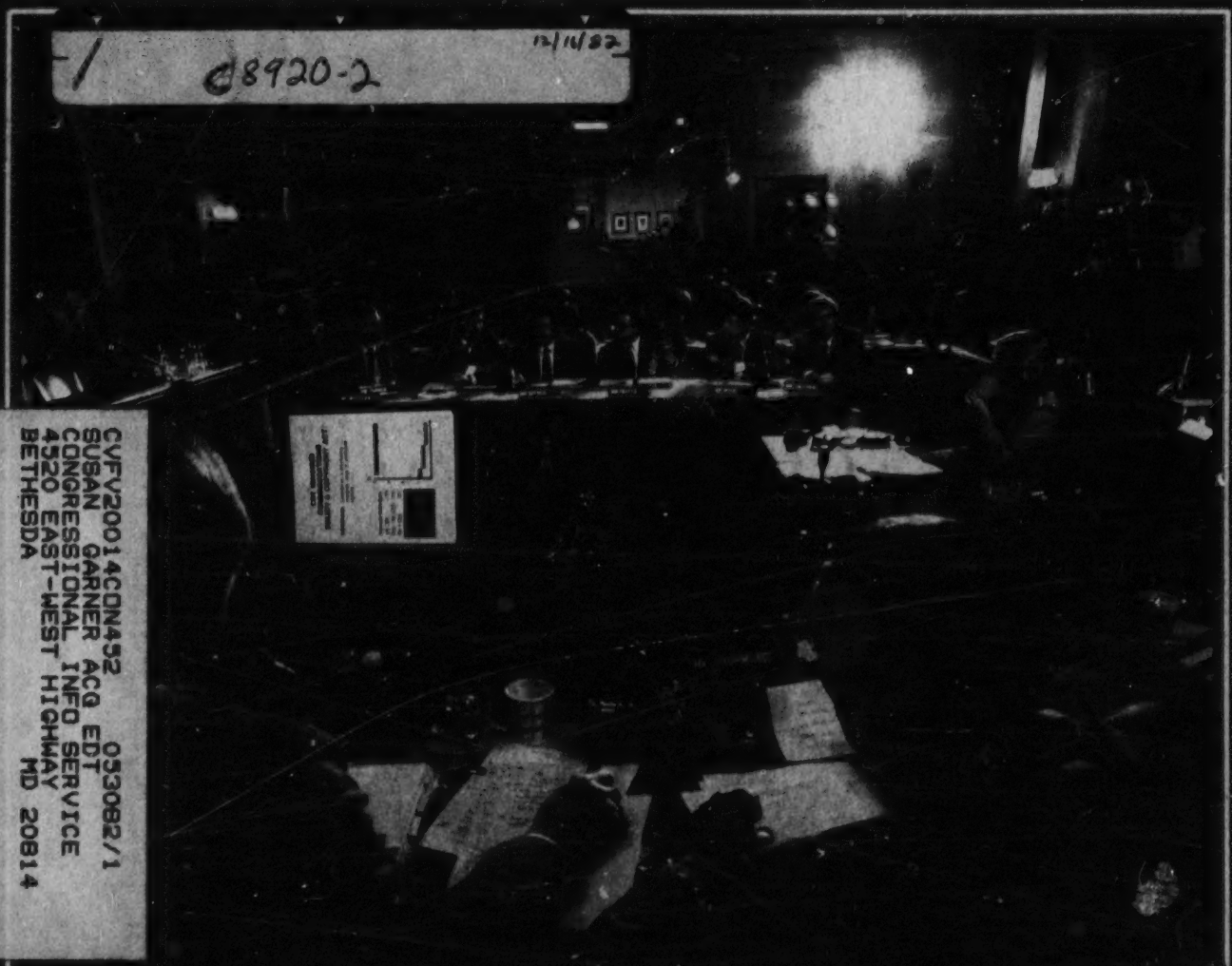

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A SPECIAL REPORT

Marketing after multipay

CableVision December 20, 1982. Volume 8, Number 16

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Ted Turner and Tom Wheeler were among industry representatives testifying before the joint Senate committees' hearing on copyright.

Cable's copyright battle

In a comprehensive special report, *CableVision* examines the history and consequenses of the most urgent and potentially most costly issue among cable operators today—higher copyright royalty fees. Our Washington correspondents, who have tracked the issue for months, provide analysis of what the Copyright Royalty Tribunal is and why it raised royalty rates. Their report also includes coverage of testimony at a joint hearing of two key Senate committees on the cable copyright bill. Industry leaders say testimony at the hearing raised more questions than provided answers. Committee members wondered aloud why the cable copyright bill, once considered a marvel of compromise among the cable, broadcast and motion picture industries, had dissolved. Charts show the higher royalty rates that the CRT will impose Jan. 1. And photographs accompanying the report and charts convey the frustration, confusion and anger of the industry leaders and Senate committee members. **Page 23.**

Copyright bill's last gasp

Attempts to bring the copyright bill to Senate committee votes failed last week. Sen. Strom Thurmond (R-S.C.) indicated the bill may be dead. Meanwhile, Ted Turner is leading a legislative campaign against the higher CRT rates. **Leading the week, pages 13-18.**

CRT responds

The Copyright Royalty Tribunal filed a response to petitions for an appeal of its recent rate decision. **Leading the week, pages 13-18.**

Whistling in the dark

Sluggish economic activity and higher-than-expected churn caused some cable executives to make somewhat more conservative forecasts for 1983 at a Paine Webber seminar last week. However, Cox and Times Mirror won't back down from their optimistic outlook on cable investments. **Leading the week, pages 13-18.**

Nightmare island

The three cable systems on the Hawaiian island of Kauai sustained serious damage during the recent hurricane there. All three lost their earth stations and one lost several miles of plant. **Leading the week, pages 13-18.**

A cable empire

Cable has been given the official green light in Great Britain. Addressing Parliament last week, Prime Minister Margaret Thatcher promised UK residents a privately owned, state-of-the-art, two-way system offering both entertainment and data services. **Leading the week, pages 13-18.**

Fight with no punch

Pay-per-view boxing events are not guaranteed high penetration figures, as evidenced by the recent Benitez-Hearns bout Dec. 3. However, despite the lower-than-average buy rates, operators expressed no disappointment about their decision to carry the match. **Leading the week, pages 13-18.**

Holiday packages

Pay and basic services offer classics as well as innovative new programming this Christmas season. **Page 59.**

Giants in the trenches

Time Inc., Triangle begin their battle for the huge cable guide market. Some observers say there is room for two guides; others say it is a fight to the death. **Page 63.**

Windshield wipers and rain

The Weather Channel matches its newest advertisers with meterological features. **Page 66.**

About the cover

Witnesses and cable leaders packed into a Senate committee room to hear testimony on the cable copyright bill. Photo by Roger Watts.

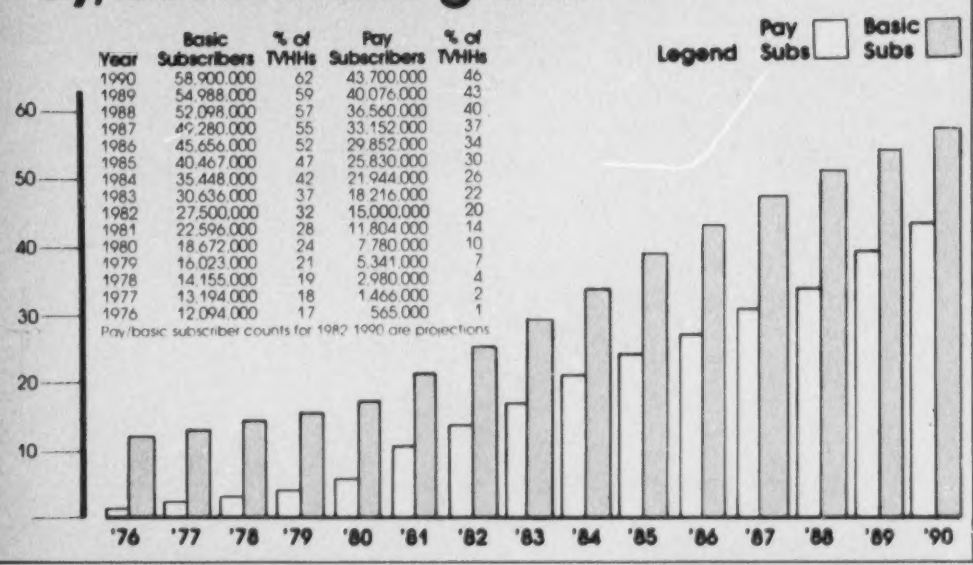
This week in PLUS

Will top-down selling continue to work in the next cable marketing era? Or is it time for a new strategy? In a roundtable discussion, Que Spaulding, John Sie and Rod Warner explain their philosophies on the pitch called for in the post-multipay age. . . Cable research moves beyond age and income tracking. In an effort to obtain more refined data, subscribers are further broken down using the trickier nuances of lifestyle and attitude. The basis: You are where you live, how you live and how you think. And all that has a lot do with what you watch. **Pages 35-58.**

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	27,500,000	32	15,000,000	20
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) 82,100,000
Homes passed by cable (HP) . 45,310,421
Percent of TVHH passed by cable 55.2%
Basic cable subscribers .. 26,991,845
Percent of TVHH with basic cable 32.9%
Percent of HP with basic cable 59.6%
Pay cable units 14,550,000
Percent of TVHH with pay cable 17.7%
Percent of HP with pay cable 32.1%
Percent of basic subs with pay cable .. 53.9%

Figures are as of October 1982

Satellite line up

Satcom III-R (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Satellite Network	2
United Video (WGN, WFMT, Lifestyle, Dow Jones, JISAL)	3
Times Mirror for Spotlight	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, Cabletext, Reuters News View, North American Newstime/The Travel Channel, Dow Jones Cable News)	6
ESPN	7
CBN Cable Network	8
USA Network	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex owned (for Cable News Network Headline Service)	15
Showtime, ACSN, National Jewish Television, HTN Plus	16
Viacom for Cable Health Network	17
Reuters, Eternal Word Television Network (8 p.m.-12 a.m.)	18
C-SPAN	19
HBO (Cinemax-east)	20
Landmark/The Weather Channel	21
HBO/Modern Satellite Network, leased for Daytime	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV (RCA Americom)	**Transponder**
SIN	1
SPN	3
ESPN (subleased to Bravo)	6
National Christian Network daytime hours/Playboy Channel evenings	7
RCTV (The Entertainment Channel)	8
Viacom International (U.S. Chamber of Commerce, BIZNET)	15
Trinity Broadcasting	17
HBO (Time Inc. teletext)	18
The American Network	19
GalaVision	23

Satcom V—launched 4th quarter 1982; no cable.
Satcom I-R—Projected launch September 1983
Satcom II-R—Projected launch September 1983

Westar IV (Western Union)	**Transponder**
Wold Communications	5D
Wold Communications	5X
Wold Communications—SelecTV, FNN	9X
Wold Communications-EROS	10D
GalaVision	12X

Also, ABC TV, Bonneville, PBS, Hughes Television Network, American Satellite, Intelsat and Equatorial will have transponders on Westar IV.

Westar V (Western Union)	**Transponder**
Hughes TV	1D
WOR (subleased from Westinghouse by Rbt. Wold Co.)	2D
Dow Jones/UTV Cable Network	2X
Citicorp	3D
Dow Jones	3X
Satellite News Channel I	4X
American Satellite Co. (AmSat)/TCI	5D
AmSat (leased by Wold)/Disney	5X
Satellite News Channel I	6D
AmSat (leased by Wold)/Disney	6X
AmSat/DCM	7D
Satellite News Channel I	7X
Satellite News Channel II	8D
Satellite News Channel I and II (incoming)	8X
Nashville Network	9D
Satellite News Channel I	9X
Citicorp	10D
American Medical Buildings	10X
Group W Satellite Corp. (east)	11D
Digital Communications Corp.	12D
TCI/BET	12X

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz. Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2), Viacom (2), SIN (2), C-SPAN (1).
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz.
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz.

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3), Pop Network (3), SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1), NBC (1).
Spacenet II—Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz.
Spacenet III—presently being built.

Top 25 cable system overview

System	MSO	Basic subs	Pay units	Homes passed	Pay services	Basic services
San Diego, Calif.	Cox Cable	220,836 (10/82)	144,000	361,351	Cinemax GalaVision HBO Showtime	CNN, ESPN, USA, WTBS, C-SPAN
Woodbury, N.Y. (Oyster Bay)	Cablevision system	169,448 (9/82)	164,314	397,517	Cinemax, HBO The Movie Channel, Playboy, Showtime	ESPN, UPI, MTV, NICK, WTBS, SNC, MTV, WGN, TWC.
Manhattan, N.Y.	ATC	166,725 (9/82)	98,625	356,900	HBO Cinemax	USA, BET, ESPN, RUT, SPN, CNN, C-SPAN
West Orange, N.J.	Maclean Hunter	142,013	167,465	295,268	HBO Showtime	CNN, CSP, ESPN, NICK,RUT, USA, WTBS, WOR
San Antonio, Texas	Rogers-UA Cablesystems	134,900	247,613	269,000	HBO GalaVision Showtime	USA, ESPN, CNN, SPN, SIN, MTV, NICK, ARTS, WOR, WGN, WTBS, C-SPAN
Santa Monica, Calif. (L.A. area)	Group W Cable	129,807 (9/30)	N.A.	260,835	HBO The Movie Channel Showtime	N.A.
Wayne, N.J.	Rogers-UA Cablesystems	111,432	109,600	274,000	HBO Cinemax	USA, BET, ESPN, CBN, RUT, CNN, MTV, WTBS, WOR, C-SPAN
Tulsa, Okla.	United Cable TV	102,163	89,695	185,000	Cinemax HBO	PTL, NICK, USA, BET, MSN, ESPN, CBN, ARTS, CNN, CNNHN, DYTM, TWC, WTBS, WGN, C-SPAN MTV, SPN
Austin, Texas	ATC	98,900	103,025	172,625	Cinemax GalaVision HBO	SIN, ESPN, CBN, CNN, CNNHN, NICK, USA, WTBS
Erie County, N.Y.	Prime Cable	97,032	62,341	173,000	HBO The Movie Channel Cinemax Escapade/EROS	CNN, ACSN, BET, CBN, ESPN, MTV, NICK, RUT, USA, WOR, C-SPAN
Audubon, N.J.	NYT Cable	95,733	N/A	196,547	HBO	ESPN, CSP, USA, NICK CBN, WTBS
San Jose, Calif.	Gill Industries	92,996 (11/31)	33,567	193,957	HBO Showtime The Movie Channel	ESPN, AP, WTBS, CNN, C-SPAN
Tidewater, Va.	Cox Cable	89,288	120,000	172,021	HBO Cinemax Playboy Spotlight	USA, ESPN, CBN, RUT, BET, CNN, CNNHN, PTL, SPN, WTBS, C-SPAN
Houston, Texas	Gulf Coast Cable	83,942	64,872	162,687	HBO The Movie Channel Cinemax	WTBS, WOR, ESPN, WGN, ACSN, NICK, ARTS, CNN, MTV, SPN, USA, MSN, CBN, SIN, C-SPAN
Central Islip, N.Y. (Long Island)	Viacom Cablevision	83,063	57,437	136,600	Showtime Playboy	PTL, NICK, C-SPAN, ESPN, ARTS, WTBS, WOR
Orlando, Fla.	ATC	82,300	69,325	173,850	Showtime Playboy	PTL, NICK, ESPN, ARTS, WTBS, WOR, C-SPAN
Jefferson Parish, La.	Cox Cable	80,150	124,000	136,369	Cinemax HBO Playboy Showtime	CNN, CNNHN, ESPN, MTV, NICK, USA, WTBS, WGN
Seattle, Wash.	Group W Cable	80,040	65,397	194,786	Cinemax HBO Showtime	ESPN, CNN, MTV, SNC, WTBS
Toledo, Ohio	Buckeye Cablevision	75,418	29,829	140,000	Showtime The Movie Channel	ESPN, NICK, MTV, ARTS, CNN, WTBS
Manhattan, N.Y.	Group W	75,246	62,609	234,429	GalaVision HBO Showtime	RUT, BET, DYTM, MSN, NJT, NICK, PTL, SIN, SPN, USA, TWC, WOR, WTBS, C-SPAN
Baltimore County, Md.	Cattec Cablevision	74,237	94,574	171,448	HBO Showtime	CBN, CNN, ESPN, MSN, MTV, NICK, USA, RUT, SPN, WTBS, C-SPAN
Memphis, Tenn.	ATC	73,400	112,325	185,025	HBO Cinemax	PTL, NICK, ESPN,CBN, BET, CNN, MSN, USA, WTBS, WGN, WOR, C-SPAN
Hartford/ Meriden, Conn.	Times Mirror Cable	73,038	46,656	141,816	HTN Plus HBO The Movie Channel Spotlight	USA, BET, ESPN, NJT, CNN, WOR, C-SPAN
Grand Rapids, Mich.	General Electric	73,000	44,948	141,008	HBO The Movie Channel Showtime	BET, ESPN, CBN, AP, CNN, MTV, SPN, WFMT, WTBS, WGN, C-SPAN
Honolulu, Hawaii	ATC	72,050	65,175	144,575	Bravo HBO HTN Plus Playboy Showtime	USA, BET, AP, WTBS, WOR, C-SPAN

Basic services legend: NICK—Nickelodeon, RUT—Reuters, DYTM—Daytime, TWC—The Weather Channel, NJT—National Jewish Television, CNNHN—Cable News Network Headline News.